

# Budget Adoption Report 2020-21

June 23, 2020

Presented by:  
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OCEAN VIEW SCHOOL DISTRICT  
EDUCATION CENTER



ORIGINAL  
OCEAN VIEW SCHOOL DISTRICT  
BY  
MADE IN BRILLIANT

# Topics

- Budget Assumptions
- Multi Year Projections
- Budget Impact
- Expenditure Priorities

# Budget Assumptions

- 2020-21 Adopted Budget
  - 3-Year Multi-Year Projection
    - 0.00% COLA
    - -7.92% Reduction 2020-21
- Apportionments Deferred
  - 2019-20 June deferred to July 15
  - 2020-21 April, May, June deferred to July
- Lower STRS and PERS District Contribution
  - 2019-20 STRS 17.10% PERS 19.721%
  - 2020-21 STRS 16.15% PERS 20.70%
  - 2021-22 STRS 16.02% PERS 22.84%
  - Increases 2022-23 STRS 18.10% PERS 25.50%

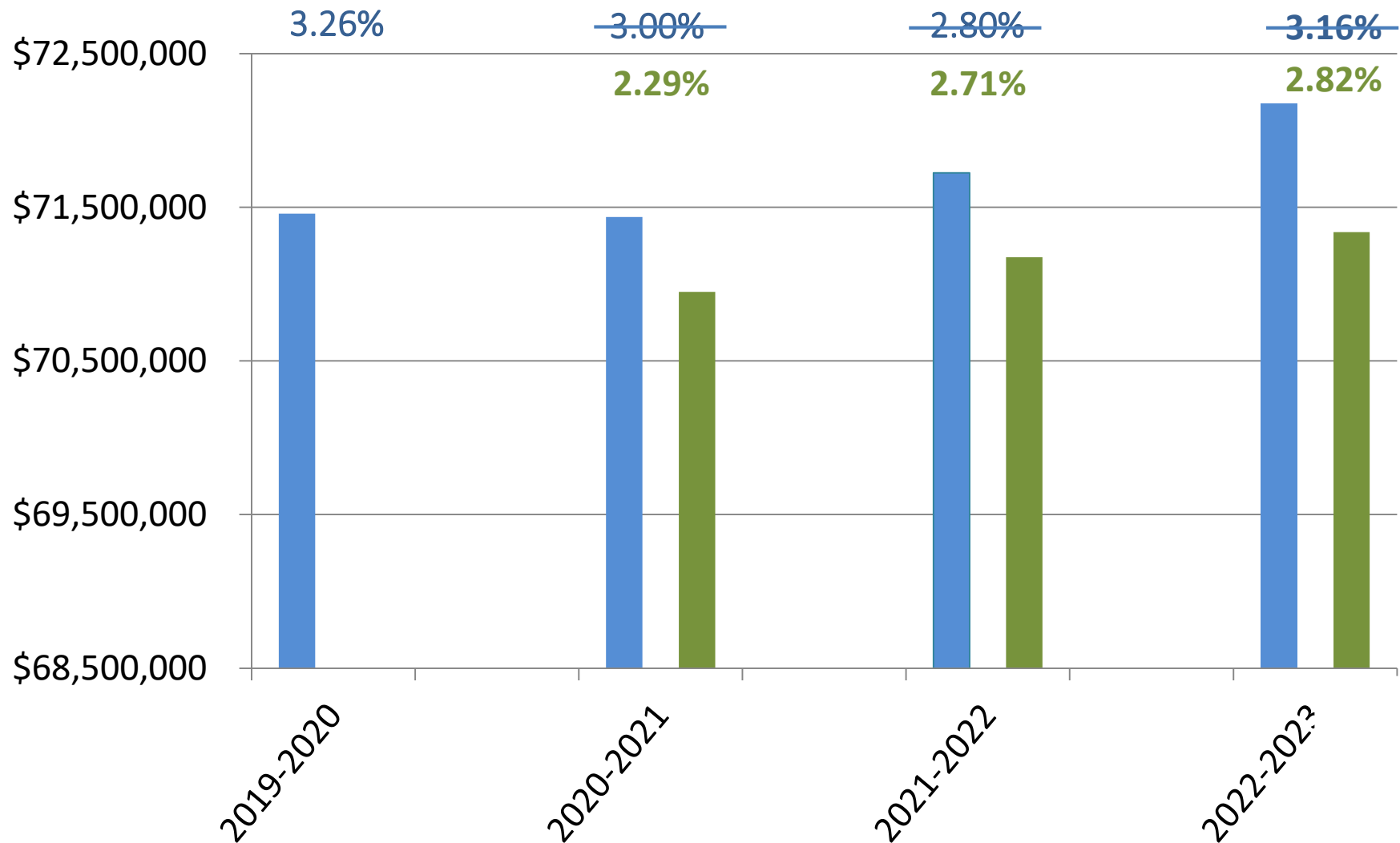
# Budget Assumptions

- 2<sup>nd</sup> Interim - May Revise – Budget Adoption
  - Total Personnel Costs MYP
- \$4,200,000 Personnel Costs ongoing reductions
  - 2020-21
  - 2021-22
- Other budget reductions 2020-21
  - Transportation \$689,000
  - Title III \$100,000
  - Fee Based Preschool Staffing Reductions \$293,000
  - Classified Hourly \$300,000
  - Grounds to Routine Restricted \$100,000
  - Enrollment/Teacher Reduction \$973,000
  - Pension Savings \$571,000
  - **TOTAL Savings** **\$3,026,000**

# 2nd Interim Budget LCFF Revenue Projections

Multi-Year COLA projections for Budget  
Year LCFF Revenue Impact

- 1<sup>st</sup> Interim Projections
- 2<sup>nd</sup> Interim Projections



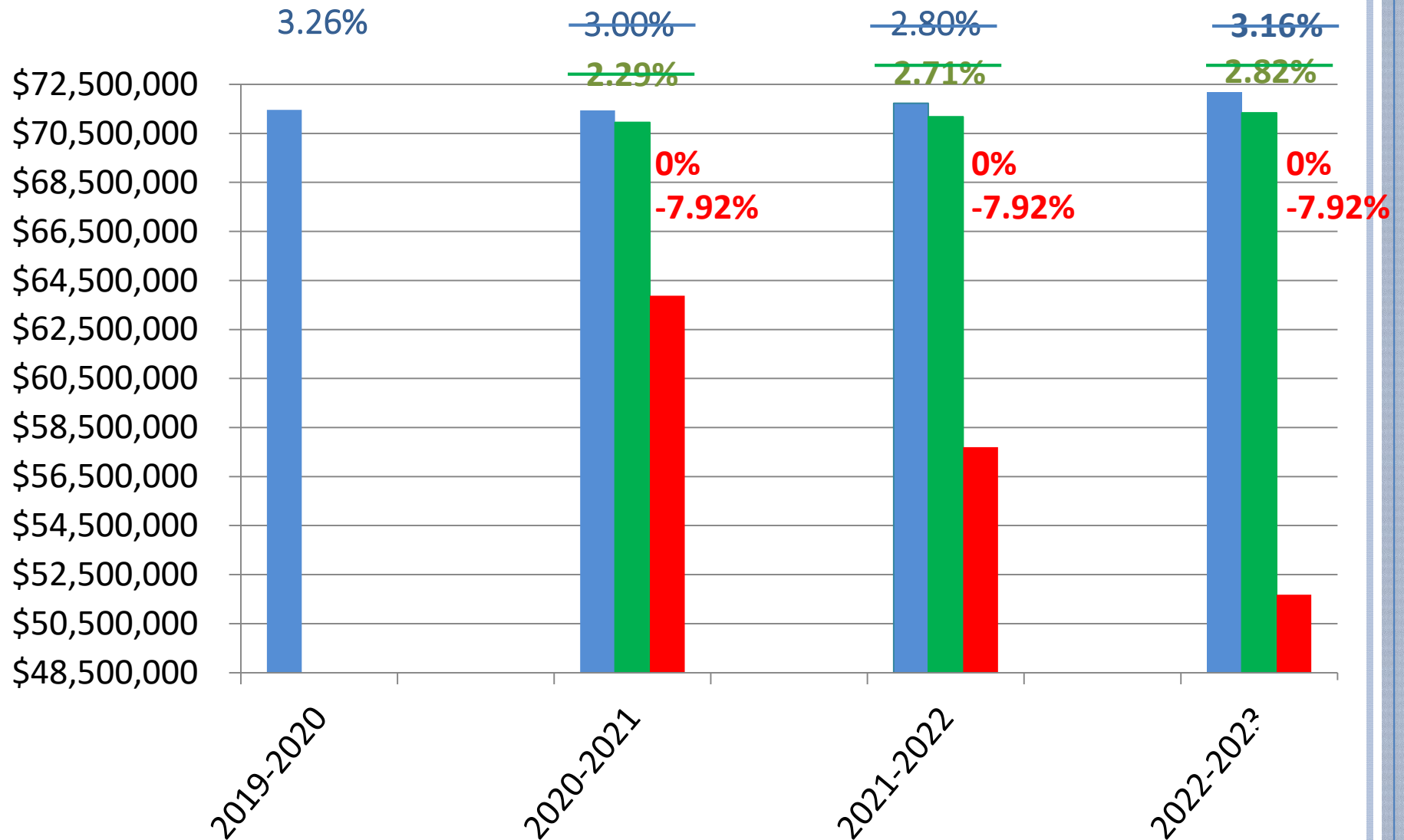
# Combined General Fund Balance Summary and MYP

GF Combined	2019-20 2nd Interim	2020-21 Projected	2021-22 Projected	2022-23 Projected
Revenues	\$89,995,683	\$87,502,386	\$87,727,009	\$87,940,676
Expenditures <i>(including Transfers In/Out)</i>	\$90,994,551	\$91,155,828	\$90,587,152	\$90,650,151
Net Inc / <b>(Dec)</b> in Fund Balance	<b>\$(998,869)</b>	<b>\$(3,653,442)</b>	<b>\$(2,860,143)</b>	<b>\$(2,709,475)</b>
Beginning Balance	\$13,702,900	\$12,704,031	\$9,050,590	\$6,190,447
Ending Balance <i>(% of Expenditures)</i>	\$12,704,031 13.96%	\$9,050,590 9.93%	\$6,190,447 6.83%	\$3,480,972 3.94%
3% REU	\$2,734,837	\$2,739,675	\$2,722,615	\$2,724,505
Emergency Reserve <i>(% of Expenditures)</i>	\$6,739,360 7.41%	\$4,219,089 4.63%	\$1,683,665 1.86%	\$368,947 0.40%

# LCFF Revenue Projection

2020-21 MYP COLA 0.00% and  
-7.92% Reduction

- 1<sup>st</sup> Interim Projections
- 2<sup>nd</sup> Interim Projections
- May Revise



# Combined General Fund Balance Summary and MYP

2020-21 MYP COLA 0.00% and -7.92% Reduction

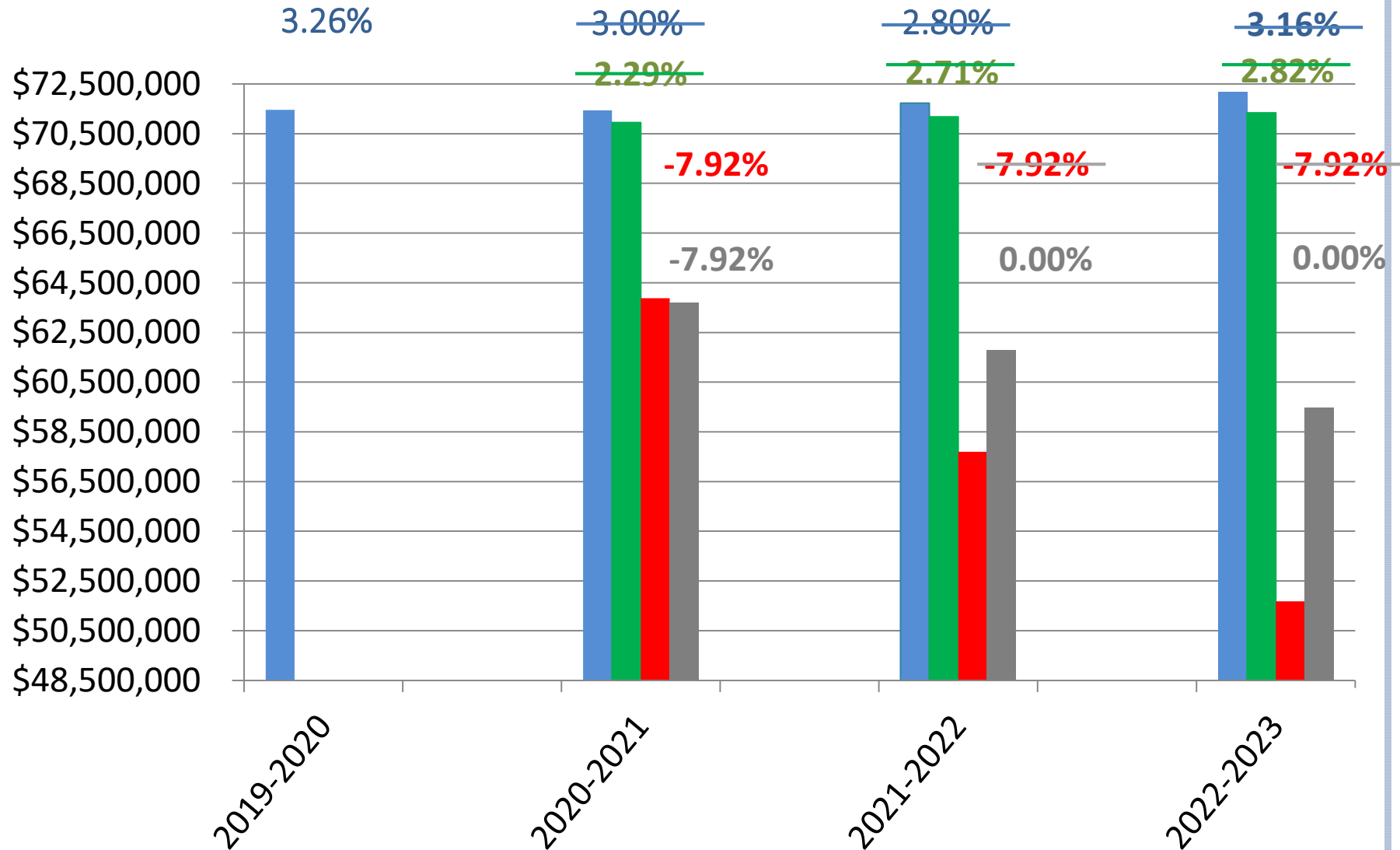
GF Combined	2019-20 2nd Interim	2020-21 Projected	2021-22 Projected	2022-23 Projected
Revenues	\$89,995,683	\$80,426,993	\$74,251,640	\$68,235,991
Expenditures <i>(including Transfers In/Out)</i>	\$90,994,551	\$89,918,297	\$89,381,153	\$90,087,091
Net Inc / <b>(Dec)</b> in Fund Balance	<b>\$(998,869)</b>	<b>\$(9,491,034)</b>	<b>\$(15,129,513)</b>	<b>\$(21,851,100)</b>
Beginning Balance	\$13,702,900	\$12,704,031	\$3,212,728	<b>\$(11,916,785)</b>
Ending Balance <i>(% of Expenditures)</i>	\$12,704,031 13.96%	\$3,212,728 3.57%	<b>\$(11,916,785)</b> <b>(13.3%)</b>	<b>\$(33,767,885)</b> <b>(37.5%)</b>
3% REU	\$2,734,837	\$2,702,548	\$2,686,435	\$2,707,613
Emergency Reserve <i>(% of Expenditures)</i>	\$6,739,360 7.41%	\$6,067 0.01%	<b>\$(14,763,493)</b> <b>(16.5%)</b>	<b>\$(36,691,932)</b> <b>(40.7%)</b>



# Budget Adoption LCFF Revenue Projection

2020-21 MYP COLA 0.00% and  
-7.92% Reduction

- 1<sup>st</sup> Interim Projections
- 2<sup>nd</sup> Interim Projections
- May Revise
- Budget Adoption



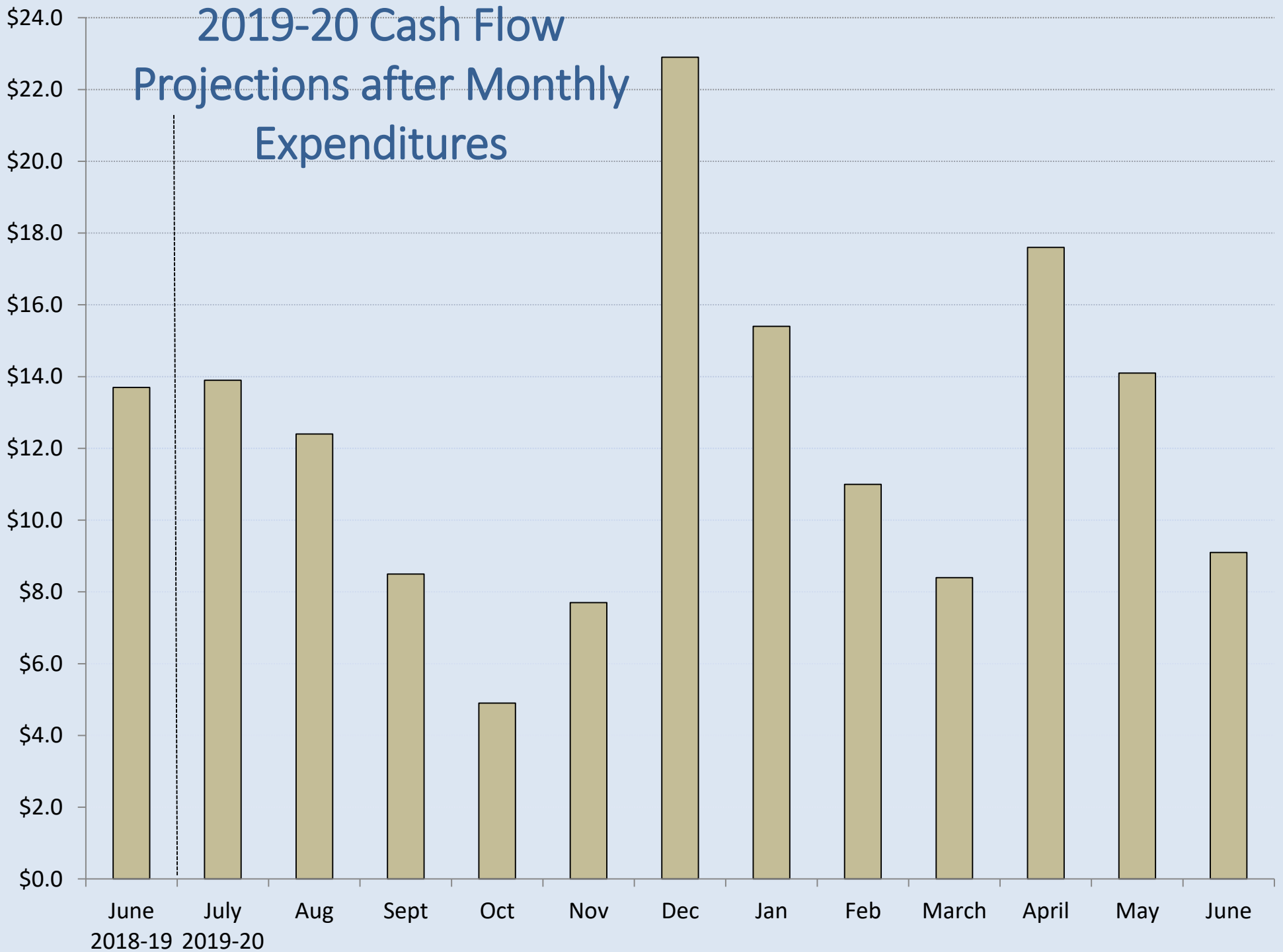
# Combined General Fund Balance Summary and MYP

\*Includes \$4.2M combined personnel reductions 2020-21 & 2021-22

GF Combined	2019-20 2nd Interim	2019-20 Estimated Actuals	2020-21 Adopted Budget	2021-22 Projected	2022-23 Projected
Revenues	\$89,995,683	\$89,973,404	\$79,815,131	\$77,910,756	\$75,600,533
Expenditures <i>(including Transfers In/Out)</i>	\$90,994,551	\$88,539,997	\$84,786,936*	\$78,848,523*	\$79,605,691
Net Inc / <b>(Dec)</b> in Fund Balance	<b>\$(998,869)</b>	\$1,433,407	<b>\$(4,971,805)</b>	<b>\$(937,767)</b>	<b>\$(4,005,158)</b>
Beginning Balance	\$13,702,900	\$13,702,900	\$15,136,307	\$10,164,502	\$9,226,735
Ending Balance <i>(% of Expenditures)</i>	\$12,704,031 13.96%	\$15,136,307 17.1%	\$10,164,502 11.99%	\$9,226,735 11.7%	\$5,221,577 6.56%
3% REU	\$2,734,837	\$3,261,200	\$3,148,608	\$2,370,456	\$2,393,171
Emergency Reserve <i>(% of Expenditures)</i>	\$6,739,360 7.41%	\$8,477,396 9.57%	\$2,987,146 3.52%	\$3,169,707 4.02%	\$1,119,043 1.41%

# 2019-20 Cash Flow Projections after Monthly Expenditures

In \$ Millions



Ending Cash Balance

# 2020-21 Cash Flow Projections after Monthly Expenditures

In \$ Millions



Ending Cash Balance

# Priority of Expenditures

**Essential** – absolutely must have to operate district or school, i.e. classroom teacher salary

**Necessary** – important component to operate district or school but could do without, i.e. replacement technology, Facilities vehicle

**Discretionary** -- nice to have, routine and everyday expenditures, i.e. office supplies, photo copies, new technology

Questions to ask:

Will this expenditure improve student learning? If so, how?

Is this expenditure aligned to school/department vision?

Is this expenditure sustainable?

Is there another way to get the same outcome?

Which Priority does this expenditure meet?

# State Budget Negotiation Highlights

On June 22, 2020, Governor Gavin Newsom and legislative leaders announced a budget agreement.

**Local Control Funding Formula.** Maintains the Local Control Funding Formula (LCFF) at its 2019–20 levels—meaning the LCFF is neither cut by the May Revision’s proposed 10% nor is it increased by the 2.31% statutory cost-of-living-adjustment by providing an inflation factor of zero to the LCFF.

**Deferrals.** Instead of imposing cuts to the LCFF, rely on K–12 apportionment deferrals in 2021 (February, March, April, May) to 2022 totaling \$8.6 billion. First call on new federal funds will restore deferrals.

**Learning Loss Mitigation Funding.** Provides one-time revenue primarily to address student learning loss as a result of the COVID-19 pandemic.

**ADA Hold Harmless Provision, Distance Learning Standards, and Learning Continuity and Attendance Plans.** Includes an ADA hold harmless provision for 2020–21 that relies on adjusted ADA for 2019–20; establishes requirements to meet grade span instructional minutes.

**Certificated and Classified Staff Protections.** The budget forecloses authority to lay off non-management certificated staff and classified staff who hold positions in nutrition, transportation, or custodial services from July 1, 2020, to June 30, 2021.

Questions?